AMENDMENT TO H.R.

OFFERED BY M .

(Amendments to Patient Safety and Quality Improvement Act)

(Page & line nos. refer to BILIRA.015 print of February 11, 2003, 3:46 pm)

Page 24, line 11, strike ''fiscal years 2004 through 2013'' and insert ''fiscal years 2004 through 2008''.

Add at the end the following:

SEC. 6. GRANTS FOR ELECTRONIC PRESCRIPTION PROGRAMS.

(a) GRANTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') may make grants to qualified practitioners for the purpose of establishing electronic prescription programs.

(2) MATCHING FUNDS.—

(A) IN GENERAL.—With respect to the costs of establishing an electronic prescription program, a condition for the receipt of a grant under paragraph (1) is that the qualified practitioner involved agree to make available (directly or through donations from public or private entities) non-Federal contributions toward such

costs in an amount that is not less than 50 percent of such costs.

(B) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required in subparagraph (A) may be in cash or in kind, fairly evaluated, including equipment or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

(b) STUDY.—

(1) IN GENERAL.—The Secretary, acting through the Director of the Agency for Healthcare Research and Quality, shall support a study to assess existing scientific evidence regarding the effectiveness and cost-effectiveness of the use of electronic prescription programs intended to improve the efficiency of prescription ordering and the safe and effective use of prescription drugs. The study shall address the following:

(A) The ability of such programs to reduce medical errors and improve the quality and safety of patient care.

(B) The impact of the use of such programs on physicians, pharmacists, and patients, including such factors as direct and indirect costs, changes in productivity, and satisfaction.

(C) The effectiveness of strategies for overcoming barriers to the use of electronic prescription programs.

(2) REPORT.—The Secretary shall ensure that, not later than 18 months after the date of the enactment of this Act, a report containing the findings of the study under paragraph (1) is submitted to the appropriate committees of the Congress.

(3) DISSEMINATION OF FINDINGS.—The Secretary shall disseminate the findings of the study under paragraph (1) to appropriate public and private entities.

(c) DEVELOPMENT OF MODEL.—The Secretary, acting through the Director of the Agency for Healthcare Research and Quality, may develop an Internet-based mathematical model that simulates the cost and effectiveness of electronic prescription programs for qualified practitioners. The model may be designed to allow qualified practitioners to estimate, through an interactive interface, the impact of electronic prescribing on their practices, including the reduction in drug-related health care errors.

(d) DEFINITIONS.—For purposes of this section:

(1) The term ''electronic prescription program''—

(A) means a program for the electronic submission and processing of prescriptions; and

(B) includes the hardware (including computers and other electronic devices) and software programs for the electronic submission of prescriptions to pharmacies, the processing of such submissions by pharmacies, and decision-support programs.

(2) The term ''qualified practitioner'' means a practitioner licensed by law to administer or dispense prescription drugs.

SEC. 7. GRANTS TO HOSPITALS AND OTHER HEALTH CARE PROVIDERS FOR INFORMATION TECHNOLOGIES.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall make grants to hospitals and other health care providers (but not more than 1 grant to any 1 hospital or provider) to pay the costs of acquiring or implementing information technologies whose purposes are—

(1) to improve quality of care and patient safety; and

(2) to reduce adverse events and health care complications resulting from medication errors.

(b) SPECIAL CONSIDERATION.—In making grants under subsection (a), the Secretary shall give special consideration to applicants who seek to promote the following:

(1) Interoperability across hospital services or departments using standards developed or adopted by the Secretary under section 4.

(2) Electronic communication of patient data across the spectrum of health care delivery.

(3) Computerized physician order entry or bar coding applications.

(4) Electronic communication of patient data in hospitals that provide services to underserved or low-income populations.

(5) Improved clinical decisionmaking through acquisition and implementation of decision-support technologies.

(c) CERTAIN GRANT CONDITIONS.—A condition for the receipt of a grant under subsection (a) is that the applicant involved meet the following requirements:

(1) The applicant agrees to carry out a program to measure, analyze, and report patient safety and medical errors at the hospital or other health care provider involved, to submit to the Secretary a

description of the methodology that will be used, and to have such program in effect as soon as practicable after the application for the grant is approved, without regard to whether information technologies under the grant have been implemented.

(2) The applicant has arranged for an evaluation that addresses the effectiveness and cost-effectiveness of the information technology for which the grant is provided and its impact on the quality and safety of patient care, submitted the evaluation plan to the Secretary, and received approval from the Secretary of the applicant's methodology.

(3) The applicant has or is developing a patient safety evaluation system (as that term is defined in section 921 of the Public Health Service Act (as amended by section 3)) for reporting health care errors to a patient safety organization.

(4) The applicant agrees to provide the Secretary with such information as the Secretary may require regarding the use of funds under this program or its impact.

(5) The applicant provides assurances satisfactory to the Secretary that any information technology planned, acquired, or implemented with grant

funds under this section will be part of an information program that—

(A) carries out the purposes described in subsection (a); and

(B) is comprehensive or will be expanded to become comprehensive, regardless of whether Federal assistance is available for such expansion.

(d) TECHNICAL ASSISTANCE TO GRANTEES.—The Secretary, acting through the Director of the Agency for Healthcare Research and Quality, shall provide technical assistance to applicants and grantees to ensure the appropriate evaluation of the information technologies for which grants are awarded under this section, such as—

(1) reviewing and providing technical assistance on the applicant's proposed evaluation;

(2) developing mechanisms to ensure ongoing communications between grantees and evaluators to facilitate the identification and resolution of problems as they arise, ensure mutual learning, and promote the rapid dissemination of information;

(3) reviewing the interim and final reports required under subsection (e); and

(4) disseminating evidence-based information in interim and final reports to patient safety organizations, as appropriate.

(e) EVALUATION REPORTS BY GRANTEE.—A condition for the receipt of a grant under subsection (a) is that the applicant agree to submit an interim and a final report to the Secretary in accordance with this subsection.

(1) INTERIM REPORT.—Not later than 1 year after the implementation of information technologies under the grant is completed, the applicant will submit an interim report to the Secretary describing the initial effectiveness of such technologies in carrying out the purposes described in subsection (a).

(2) FINAL REPORT.—Not later than 3 years after the implementation of information technologies under the grant is completed, the applicant will submit a final report to the Secretary describing the effectiveness and cost-effectiveness of such technologies and addressing other issues determined to be important in carrying out the purposes described in subsection (a).

(3) RELATION TO DISBURSEMENT OF GRANT.—In disbursing a grant under subsection (a), the Secretary shall withhold ⅓ of the grant until the grant-

ee submits to the Secretary the report required in paragraph (1).

(f) REPORTS BY SECRETARY.—

(1) INTERIM REPORTS.—

(A) IN GENERAL.—Through the fiscal year preceding the fiscal year in which the final report under paragraph (2) is prepared, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate periodic reports on the grant program under subsection (a). Such reports shall be submitted not less frequently than once each fiscal year, beginning with fiscal year 2004.

(B) CONTENTS.—A report under subparagraph (A) shall include information on—

(i) the number of grants made;

(ii) the nature of the projects for which funding is provided under the grant program;

(iii) the geographic distribution of grant recipients; and

(iv) such other matters as the Secretary determines appropriate.

(2) FINAL REPORT.—Not later than 180 days after the date on which the last of the reports is due under subsection (e)(2), the Secretary shall submit a final report to the committees referred to in paragraph (1)(A) on the grant program under subsection (a), together with such recommendations for legislation and administrative action as the Secretary determines appropriate.

(g) DEFINITIONS.—For purposes of this section:

(1) The term ''costs'', with respect to information technologies referred to in subsection (a), includes total expenditures incurred for—

(A) purchasing, leasing, and installing computer software and hardware, including hand-held computer technologies;

(B) making improvements to existing computer software and hardware; and

(C) purchasing or leasing communications capabilities necessary for clinical data access, storage, and exchange.

(2) The term ''health care provider'' has the same meaning given to the term ''provider'' in section 921 of the Public Health Services Act (as amended by this Act).

(h) TERMINATION OF GRANT AUTHORITIES.—The authority of the Secretary to make grants under subsection (a) terminates upon the expiration of fiscal year 2011.

(i) MATCHING FUNDS.—

(1) IN GENERAL.—With respect to the costs of a grant to be carried out under this section, such grant may be made only if the applicant agrees to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is not less than 50 percent of such costs ($1 for each $1 of Federal funds provided in the grant).

(2) DETERMINATION OF AMOUNTS CONTRIBUTED.—Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS FOR GRANTS UNDER SECTIONS 6 AND 7.

For the purpose of carrying out sections 6 and 7, there are authorized to be appropriated $25,000,000 for each of fiscal years 2004 and 2005.